



Brand Reposition Impact in the Internationalization of Brazilian Foot-Wear Companies: The Havaianas Case

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Brand Reposition Impact in the Internationalization of Brazilian Foot-Wear

Companies: The Havaianas Case

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ABSTRACT

New markets, needs, desires and opportunities seem to appear every day on the global stage. This also means an increase in the number of competitors, technological innovations and new purchase alternatives for the consumer. The conquest of these buyers' preferences therefore becomes the purpose of many companies, to whom brand starts to be seen as an intangible asset – fundamental in attracting the attention of several interest groups; creating an emotional bond with the customer.

The excessive focus given by many organizations to the products and services offered is often limited to their functional and technical characteristics, and has given them the appearance of simple commodities, without any added value. This paper intends to show how is possible to reverse this kind of situation: creating a strong brand, whether in the local or international sphere of action, based in the planning and implementation of integrated actions of the marketing mix variables.

With a case study carried out together with São Paulo Alpargatas (specifically with their sandals business unit which manages the brand Havaianas), the factors that made them one of the biggest Brazilian icons abroad are studied: the associations developed; the communication strategy used; the new position achieved by the brand; and the implementation of a long-lasting strategy.

Keywords: Internationalization, Branding, Foot-Wear Industry, Entry modes, Brazil, Re-positioning.

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INTRODUCTION

In the current context, brand has a role of major importance for the organization's success. It is its mission to promote positive associations in the consumers mind, targeting the creation of concordant relations between the client and a product and/or a company. It acts as the main differentiating element among the countless offers available in the market, reinforcing the position that institutions try to achieve in the consumers mind, now no longer on a national scale, but international. This paper intends to examine thoroughly the already existing studies about the impact that brand repositioning, through the actions of the marketing mix variable components, exerts over an organization whose main strategic option is internationalization. We will study in particular the successful case of the Brazilian company São Paulo Alpargatas, especially in the Havaianas business unit, whose brand is now sold in more than seventy countries.

This paper intends yet to fill a gap which exists in the study of the relation between the variables in discussion: brand repositioning and internationalization. According to Cheng et al. (2005), the bibliography available about the process of creation of international brands is restricted and has not received a lot of attention from the scientific community. Burt and Sparks (2002), state that, due to the limited bibliography available about the subject, there currently appears to be little interest in studying the relation between corporative brands under the perspective of the internationalization process.

The choice of the successful "Havaianas" case occurred initially because, due to the extremely positive results it has achieved, it is currently one of the most discussed organizations in Brazil. This also led to international debates focussing on the organization in world famous

business schools, such as Harvard Business School. Another relevant factor in the making of this study is that, despite having its sandal production concentrated in just one industrial company situated in Brazil's northeast region, Havaianas carried out internationalization in a very effective way, reaching the most varied international markets such as Europe, Japan, USA and Australia, with 2006 exports reaching an approximate fifteen million pairs, representing more than ten percent of the company's total production (Alpargatas, 2006). Besides representing an example of well-planned and successful internationalization, Havaianas is also a reference in terms of marketing actions. The deep change carried out in the variables of the marketing mix performance allowed the original product, the rubber sandal, with a low added value, to become a fashionable article and, very often, even a luxury item.

This paper is divided into six parts. In the first two chapters a bibliographical revision is made concerning internationalization and brand. The following chapter concerns the method used in the case study analysis. The two following chapters describe the case study itself, events connected to the organization and the discussions and analysis concerning the case. In the last chapter, the research conclusions and limitations are presented, including some suggestions for future research.

The underlying research question to this study is: How can brand repositioning influence a company's performance in the process of internationalization? Its purpose is to study, in general terms, the way in which brand repositioning, driven by the actions of the marketing-mix variables, can influence the company's performance in the internationalization process. Thus, on one hand, it's intended to identify, describe and analyse the relations between the adopted marketing-mix actions (4P) and brand repositioning; and, on the other hand, identify, describe and analyse the relations between brand repositioning and the internationalization strategy adopted.

LITERATURE REVIEW

The Internationalization and the Operation Modes in the International Markets

The increase of globalization, the technological evolution and the advances of organizational reveal the need to carry out wider analysis about the variables of the internationalization process. In it, process dimensions, whether external or internal, are very important. External dimensions try to answer questions such as “what”, “how” and “where” to carry out internationalization; while internal ones are related to characteristics inherent to the company itself (Lorga 2003). Welch and Luostarinen (1990) point out some examples of dimensions susceptible to analysis, such as: products or services offered, markets, structure of the organization, finances, ways to operate, and personnel. Simões (1997) includes a new and important dimension: the ability to manage relations of international cooperation (Figure 1 goes about page 27).

With the purpose of identifying the fundamental principles which explain “why” the trade, the exchanges and the international investment take place, several theories studied behavioural patters of internationalization and the orientation taken in terms of its process. The purpose is to identify the fundamental principles which explain “why” the trade, the exchanges and the international investment take place. According to the Uppsala Model (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975) the company’s internationalization, through exports or IDE, is a result of its growth. This theory is based in two basic presuppositions: the lack of knowledge and the psychological and geographical distances as the greatest obstacles to internationalization; and also the assumption that the company’s expansion takes place in a gradual and incremental way: initially through exports, evolving until the opening of subsidiaries.

It is a process of continuous learning. The knowledge gathered by the company with the experience acquired by acting in a certain foreign market is seen as a fundamental factor for the continuation of the process. Thus, the company carries out its internationalization by investing resources in a gradual and incremental way.

We can say that the decision regarding the choice of the entry method into a foreign market is very complex. This decision demands a greater complexity in order to be adapted, because its effects will influence directly other decisions, such as those related to the product, price and positioning (Kotabe and Helsen, 2000). The decision about the most suitable entry strategy in approaching a certain foreign market has to take into account several elements, such as the production place (Sarathy and Terpstra, 1991), the level of control required by the operation (Leersnyder, 1986); or a combination between the risk, the compromise and the degree of control demanded by this operation (Nickels and Wood, 1999). The main methods of entry into external markets are abridged in Table 1 (Table 1 goes about page 28).

The Influence of the Brand

According to AMA's (American Marketing Association) definition, the brand is a name, a sign, a draft, or a combination of these elements, in order to identify the products and services of a salesman, or a group of salesmen, and to distinguish them from the competitors (AMA 1960, p.8 trad.). Lencastre (2007, p.33) defines a brand as "... sign of a benefit next to a target-segment." Zyman and Miller (2001) say that the brand signals the company and its orientation.

Present relationships are no longer based in simple one-shot sales transactions as seemed to happen in the past. The focus is now on the creation of long-lasting relationships; in the future

and on repeated businesses. This perspective allows the brand to be regarded, more and more, as one of the company's most strategic and precious assets.

A growing number of studies point to the success related to concepts of "Emotional Branding" upheld by Marc Gobé (2001), and reiterated by Brito (2007), identifying that there isn't a more emotional and less dominated by reason relation than the one between the customer and the brands. Great brands stake in this kind of experience, believing it is possible to create an emotional bond between customer and brand, just like a beautiful courtship. The "brand relationship" it is also characterized by Grönroos (2001) as brand management through a continuous process of creation of value, widely influenced by the relation between customer and brand.

Regarding the benefits originated by the creation of loyalty by the brands, Kotler and Keller (2006) mention that is highly likely that a satisfied client will purchase the product or service again, allowing the company to estimate and predict with more efficiency the search for their products. Moreover, this loyalty also becomes a barrier to competitor's entrance and strengthening. And it allows the brand to demand a higher price from its clients (usually 20% to 25% more). Thus, brands distinctive character gains strength. Actually, given its differentiating capacity, Lindon et al. (2004), see the brand as synonym of competitiveness and durability in the market.

The Brand Triadic Structure

Around 1930, the American philosopher Peirce developed a positivistic idea of signs, studying the relationship between them and the environment. For him, there was something more in a sign than just its "significant" – the form, its expression – and the "signification" – the

content. In his opinion, a third term would become involved in the relationship: a “referent”, which establishes a connection between the former two terms through the way the sign is interpreted. Based in the Peircean triadic conception, Lencastre (1999, p. 33) defines a sign as “anything, which is in the place of anything, in order to be interpreted by someone.” He developed what is called as “brand triangle”, where the relationship between the three elements was established schematically (Figure 2 goes about page 30). The first is about the brand identity where benefit is represented. The author calls it the identity mix. The second vertex is imputed to the marketing mix, which has a tendency to make tangible the benefit given by the brand. The third pillar is connected to the brand image, a combination between the image transmitted, the public which receives it and the respective interpretations made. Lencastre (1999; 2007) calls this combination “image mix”.

This triadic approach of the brand, with a more integrated vision, is widespread today in both the academic and business related worlds; contributing also to the brand definition made by David Ogilvy (in Strunck 2003, p. 137): “the brand is the intangible sum of the properties, name, package and price, its history, reputation and the way it is promoted. The brand is also defined by the consumer’s impressions about the people who use them; as well as their own personal experience”.

METHODOLOGY

Research with a qualitative nature was chosen due to the diversity of variables and the importance they established in the results achieved by the organization in analysis, in this case, Havaianas. It is relevant to stress that Havaianas maintains a trajectory of solid growth since their transformation and repositioning in the market – which started in 1994 – developing a more and more strengthened brand on the world stage. The qualitative approach was considered to be the

best alternative, in order to get a strict description of the situation under analysis, according with what is upheld by Yin (2005). The political, economical and social contextualization also exerts great influence on the Havaianas course in the Brazilian businesses environment and its expansion abroad. To analyse phenomenon in which the political, economical and social contextualization is necessary, Yin (1993) also advises the use of a study case.

THE HAVAIANAS CASE

Havaianas were so successful in building an image with strong, favourable and unique associations (Keller, 1998) that, in less than a decade, they became a world phenomena. Nowadays, even Americans, English and Australians can say what the brand of their flip-flops is (as the sandals are called outside Brazil): “*the Brazilian ra.VYAH-nas.*” However, it wasn’t always that way. About a hundred years ago in Brazil the story of the São Paulo Alpargatas started; the company that afterwards would create Havaianas sandals. What started as a popular product, seen by many as an exclusively functional commodity, became a fashion in less than four decades.

São Paulo Alpargatas, owner of the Havaianas brand, appeared in 1907, by initiative of the Scotsman Robert Fraser in association with an English group. Together they started the production of “alpargatas”, a type of foot-wear very popular at the time when working the land, and especially when growing coffee (an activity that dominated the São Paulo region during that time). Its shares have been quoted in the São Paulo Stock Market since 1913.

In 1962, the Alpargatas launched a new product in the market: the Havaianas. This new model was inspired by the traditional Japanese sandals, Zori, which were made of wood. The Brazilian national version had a characteristic: they were made of rubber. In less than a year, the

São Paulo Alpargatas, still limited to the national market, was selling more than a thousand pairs of Havaianas every day in quarter shops and small businesses. The idea of this new sandal was so simple, that its fame grew rapidly, starting to be copied by several rival brands.

Segmentation and Positioning until 1997

The Havaianas performance until 1994 was a simple one, in a certain measure effective, but not efficient. It is considered effective because of the portion of market achieved: being the leader in the national sector of sandals since it was launched. Meanwhile, the low contribution margins created by the product did not favour investment and changes in marketing variables. The orientation to the market was made under a perspective of sales, taking into consideration only the companies and vendors needs.

The sandals were distributed uniformly to all market segments and exhibited without any alluring: piled up in powdered soap boxes or tied up with wires and hung inside tents. In fairs they were left exposed to the elements; in traditional businesses they were relegated to areas with less movement and visibility; in malls they were placed in the stocks, since that in some stores they wouldn't even go to the windows. Limited to only five basic colours (black, blue, green, red and yellow) all with a white sole, they did not bring any added value to the product and stayed like that for thirty years. Exchange relations were based almost exclusively in the price. The Havaianas were simply recognized as the cheapest way to wear shoes. And because of this, the stigma was born that it was for "poor people and domestic ladies slippers".

Segmentation efforts practically didn't exist. The market segments which adopted the sandals as a regular item of consumption – the C, D and E classes – did so more as a result of the price policy, the easy accessibility to the product and its low added value, rather than as a result

of the will or attitude of the company itself. Marketing was one of the company's weaknesses. Furthermore, their communication actions, for example, were limited to the seasonal transmission of advertising campaigns on television, always presented by the comedian Chico Anysio. These campaigns always approached the product's originality and legitimacy, showing the consumers that they should avoid counterfeits (Figure 3 goes about page 31).

Brand's mission at this time was limited to the product's physical and functional characteristics: durability, comfort and hygiene, at a low price. As result, the sandals had their positioning in the market limited to the simplest of the benefits that they could transmit: protection for the feet at a low cost.

Success came, as well as growth of the organization, but not in a sustainable way. The company, which had a ninety percent share in the national market of rubber sandals, with sales reaching a hundred million pairs per year, found itself in trouble when sales in 1993 were cut down incredibly to sixty-five million pairs. This was how the company understood they needed to change.

The Gradual Transformation

From 1994, the Alpargatas went through a complex transformation. Even though their products were still market leaders, results were worsening every year and didn't stop crashing. Sandals were seen as real commodities, the production process fairly simple and, therefore, very easy to counterfeit, which made difficult the creation of long-lasting competitive advantages, as stated by Porter (2007).

Considering that marketing was not one of the company's strengths, their managers saw in advertising the only tool to get close to the consumer, though no studies were made in order to

know what was effectively assimilated by the public. Facing these difficulties, the company started to implement a series of changes from 1994. At the identity mix level, the changes occurred in a very subtle manner. The central identity or the name *strict sensu* remained the same. The tangible identity, both design and lettering, were also unchanged. The only change made was to colouring: the brand received a new combination of colours.

Effective changes happened only in the marketing mix, through the product, price, communications and distribution variables and, afterwards, when they decided on active and structured internationalization in search of an international positioning, similar to the one achieved locally.

Marketing mix changes

Changes in the marketing mix happened in a gradual way. Initially, the plan set was centred in what the company considered their two biggest potentialities: product and communication, although the last one didn't present itself in a very effective way, due to the facts mentioned above.

The company launched the Havaianas Top, whose purpose was to re-conquer the Brazilian middle class. This brought a revision of the product's concept. Although the design was kept, the colouring was changed to a limited series; it also added the packaging, a box very similar to the ones used in shoes; and issued a rack to assure the product's exhibition near the window shops and avoid that the product would be piled up in the shop stocks. Complementarily, a media campaign was carried out whose main focus was centred in the usufructuary valorisation of wearing these sandals and no longer in the product. Recorded testimonies with famous artists were used, giving credibility to the message in an irreverent manner, two items which made the messages more appealing to the public.

The results achieved at the end of the first year of the Havaianas Top project were responsible for signalling the new way to be followed. The financial results, but, especially the great spontaneous exposure which the brand achieved in the media, without the need of making big efforts, pointed to the need to develop a work structured with public relations and press advising.

At the **product** level, the company increased their portfolio from two to twenty-five different models, including for the first time new designs and fashionable colours; and added new customized packaging (Figure 4 goes about page 32).

Concerning **price**, although the new sandals cost five or six times more than the traditional ones, the business unit tried to maintain a price relation that did not affect the association that the customers had towards the old models: “an excellent cost/benefit.” Since the old product was not taken away from the market, it was possible to keep the former consumer. Regarding **communication**, the campaigns continued in the media, characterized by humour, and famous people using Havaianas in the most ordinary situations. The focus was centred on the image of people, on the lifestyle, and no longer on the product characteristics. The message to the public was: “Everyone (people of all classes) uses it.” At that stage, the role of public relations and press advisory was crucial: both were responsible for giving credibility to the message passed to the public and assuring that the personalities would appear in public using the products; whether in events, at the beach, parties, etc. The artists were photographed and the photos published in magazines, which were read by the target chosen by the company. Finally, concerning **distribution**, contracts were made with exclusive distributors in order to guarantee greater levels of commitment with the strategy and the results. Its function would be to exhibit the products in the most attractive way for the clients, using new display cases.

International performance

Another factor of significant change for the company was its option for new markets in different countries. Alpargatas knew how to overcome the barriers usually associated with internationalization due to knowledge obtained through its course as an internationalized company. In fact, this was already their own reality in their origin market, since it also licensed foreign brands in Brazil (initially with Nike and later with Timberland and Mizuno), and was responsible for representing these brands in other Latin American countries. The company exported indirectly for Latin American countries since 1998, using the same price strategy and the same products from the national market. Internationalization was, in this sense, seen as a simple extension of the national territory due to the similarities of the new markets, the small geographical distances, and the knowledge of the market they already had which, therefore, had less associated risk.

Three factors contributed strongly to the company exporting directly, through their own distributors, to regions with more potential purchasing power. The first was the measure of notoriety that the brand achieved in Brazil: according to research carried out by the Brazilian Institute of Public Opinion and Statistics (IBOPE), about seventy-five percent of Brazilians, when questioned about slippers, mentioned Havaianas in first place. Secondly, the control necessary to insure brand positioning abroad did not compensate the venture of leaving the product in the hands of someone without any commitment to performance in the market. And finally, previous experience: although not directly involved, the company did have some familiarity with foreign markets.

Thus, we may consider that the Havaianas international path started in the nearest countries and with less psychological barriers. The company went from an indirect export model to a direct model, trying to increase the sales potential of the markets. It made a giant leap and

decided to launch the brand in the most important cities in the fashion world – Paris and New York – with direct exports through sales distributors established in these cities. In 2007, Alpargatas chose New York to house their first foreign sales subsidiary.

They realized, therefore, that the knowledge acquired about the market was fundamental in building up the internationalization process, especially when internationalization involves a greater control, a greater venture and a greater commitment of resources. The last stage of the process, according to company managers, will occur with the decision to establish a production subsidiary in China, which will take place very soon. Thus we can plot Havaianas internationalization stages according to Uppsala Model (see Figure 5 which is about page 33). Figure 6, at page 34, helps to understand all the dimensions in the international trajectory adopted by Havaianas, which will be explained next.

Concerning the internationalization's **internal dimensions**, we may say that **internal competences** and the **ability to manage international co-operative relations** (Simões, 1997) should be emphasized. The concern with the creation of a transnational network of resources totally prepared to perform locally, namely with the changes carried out in the promotional compound. Initially, the company had adopted a standardized marketing politic, not very different from the one adopted in the place of origin. But that raised some issues. The same products were purchased by third parties in Brazil, at low prices, and afterwards exported to several places in the world through export companies; the local distributors had been chosen for their experience and market knowledge, forgetting that communication could only be effective with the teamwork of public relations and press advisory and the distribution teams.

With the problems identified, improvements had to be implemented and only after that the company continued its marketing policy adjusted to some particularities of the local markets.

Thus, the improvements made, based on the planning and implementation of marketing policies in an integrated way, made possible to achieve and even surpass the foreseen sales goals. The integration of the marketing policies at an international level also made possible to obtain a positive impact on the brand's image, assuring a place of reputation alongside the world's brands.

Segmentation and Positioning after 1997

Based in the definition of marketing policies guided towards the consolidation of brand values, the company decided after 1997 to implement a new value proposition. In this new proposition, the brand was successful in transmitting unique benefits to their consumers (Lencastre, 2007) and these started to recognize a set of strong, favourable and unique associations (Keller, 1998) to Havaianas. Due to this new value proposition, Havaianas' started to perform better. The new value proposition was accompanied by a good segmentation strategy that led to attractive market segments.

Based in the slogan "Everybody uses it", the brand tried to offer different products to everyone, with differentiated prices, that could be found in differentiated places and mass communicated, but also in a segmented way that would satisfy and enchant the consumers - through a strategic positioning of the brand's sale and not only the sale of the product itself, customers could recognize in it a unique benefit. Table 2 presents some associations to the brand which were identified near different publics in research ordered by the company. Table 2 is about page 35.

DISCUSSION

Havaianas knew how to capitalize on Brazil's positive image in the world, becoming an icon of "Brazil Fashion". A reporter from the *The Independent Review*, of London, wrote: "*with these sandals in your feet, we can be walking in the city streets, but dreaming with the beach*" and added: "*You glide in a pair of Havaianas and, somehow, you become an honorific Brazilian.*" The adoption of integrated marketing actions, involving all the promotional compound variables, in a bigger or smaller degree, was responsible for conquering international positioning, obtained from an image previously achieved in Brazil. The success achieved from the combination of product, price, distribution and promotion strategies, just like it was imagined by McCarthy (1960), allowed the company to ensure the the desired strategic positioning for the Havaianas in the international market.

The joint performances of public relations and press advisory should be emphasized, ensuring the brand's positioning in big worldwide fashion events or other events where the regular audience are those who lead fashion, for example the Oscars and the Grammys. Further, the performance of exclusive distributors allowed the product's exhibition in shop windows recognized worldwide, such as the Lafayette Galleries and Printemps in Paris. It is important to note that abroad, the PR and press advisory is also the distributor's responsibility, besides the entire sales management in those territories.

After a century of existence, in April 2007, the São Paulo Alpargatas, major Brazilian producer of footwear and sport accessories, could already emphasize its attendance in two of the most important fashion markets in the world: New York and Paris. This presence in highly disputed markets, whether because of the image or because of the potential purchasing, made it

possible to turn it into a Brazilian company recognized worldwide, matching itself with names such as Petrobrás, Odebrecht, Embraer, Natura and Vale do Rio Doce.

There still is a huge potential market abroad for these slippers. Its exploration can be carried out by other Brazilian companies or even companies from other countries, and that is why Havaianas can't accommodate to the success achieved internationally. The search for success in the future depends on the conquest of international markets, and that is the path the company intends to follow. Therefore, the business unit goal is, until 2010, that the company's exports represent about 15% of total profits, being advisable that it continues to grow at a fast pace. Like Paulo Lalli (principal of Havaianas business unit) says: "The moment now is to maintain the positioning achieved by the brand abroad and to increase the sales volume."

CONCLUSIONS

The success of an effective brand repositioning strategy, which started in the internal market and afterwards was widened abroad, must be analysed considering some fundamental ideas concerning the marketing-mix and its associations with brand positioning. These factors may be understood in the following way.

In the first place, they should develop an integrated and combined work of the marketing mix variables, as upheld by Kotler and Keller (2006), trying to understand which changes are necessary at the product, price, distribution and communication level. Using public relations and press advisory work in order to create spontaneous media and word-of-mouth, two forms of communication with extreme credibility. In this area of performance, these facts revealed themselves more effective than communication through advertising. These changes in the marketing mix variables should be made in order to offer to the target-segments the possibility to

recognize in the brand some associations, preferably strong, immediately remembered by the consumer when he comes upon the brand, favourable, positive for the brand, and unique, since they stand out among the alternatives that can be found in the market (Keller, 1998). Among the associations created, the organization should try to choose one to work as a unique benefit associated with the brand, becoming its positioning, the element that distinguishes the brand from the others (Ries and Trout, 1996).

Concerning this distinctness, at the same time a strong brand creates a positioning, it becomes one of the most sustainable and valuable competitive advantages (Porter, 1986), allowing the company to be in a strong position in relation to the competitors. Besides this, in the case analysed, production ability with higher levels of flexibility (Porter, 2007) allowed the company to produce a huge variety of products in smaller quantities, so allowing them to serve different markets – also a source of competitive advantage – which gave support, for example, to the changes that occurred in the product.

It is important to consider that in terms of the internationalization process, it also seems that the company followed an already known model. In fact, the internationalization strategy occurred in a gradual and sequential way (Johanson and Vahlne 1977; Johanson and Wiedersheim-Paul 1975), since the company tried initially to serve the most sophisticated consumers in the inland market, and later passed towards other geographical markets which were psychologically similar, like other Latin American countries, in order to search for those who demand a improved refinement of their promotional mix abroad and that compelled the company to use more complex ways to act.

Finally, is necessary to assess the standardization versus adaptation dilemma concerning these variables, in the different markets. We believe that a superior internationalization policy can

be found somewhere between both ends. Actually, from an economic efficiency point of view, performance should be as uniform as possible, considering the changes made in terms of marketing-mix policy. But from the market efficiency point of view, there are strong arguments pointing to the need for an adaptation. In this case, several changes were made in the marketing-mix variables, like the product, which received a wide variety of models and colours more adjusted to the local realities, but kept untouched its basic raw material (rubber), which is the same in every country where it can be found. And the same happens with the brand, of course.

Study Limitations and Suggestions for Future Researches

Although the possibility to know this case thoroughly may be considered as a positive aspect of this study, the use of only one case creates less possibilities of reproduction. Thus, the work intends only to show strategic decisions which were considered well succeeded, whether in terms of brand repositioning in Brazil and afterwards in terms of internationalization. Considering that one of the recipes of success achieved by Havaianas was the creation of an integrated communication plan, strongly featuring the press advisory and public relations, to widen its exposure near the Brazilian and international personalities, we can try, with an analysis of similar nature, to assess in what measure the success can be repeated in other Brazilian companies which are looking forward to increase their intervention in the global stage; and how action of this nature can reverse the negative aspects of products with the sign “made in Brazil”. As matter of fact, considering that the mark “made in Brazil” has negative and positive associations worldwide, it would be relevant to carry out a study which tried to identify what other industries and Brazilian brands could benefit from the allure created by the positioning associated to values such as heat, sun, beaches, etc, in order to enter into the international market.

For that reason, a possible suggestion would be the analysis of other businesses that could use these values as their brand's strong characteristics in international operations, for example bikini or natural juices companies.

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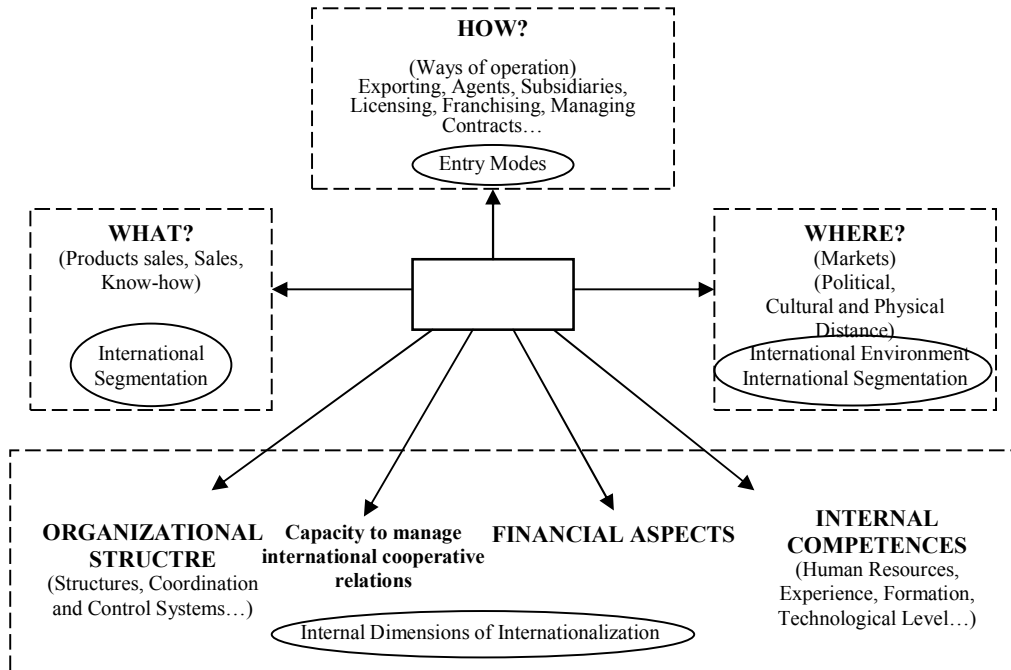
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FIGURES AND TABLES

Figure 1 – The Dimensions of Internationalization



Source: Simões 1997, p.12.

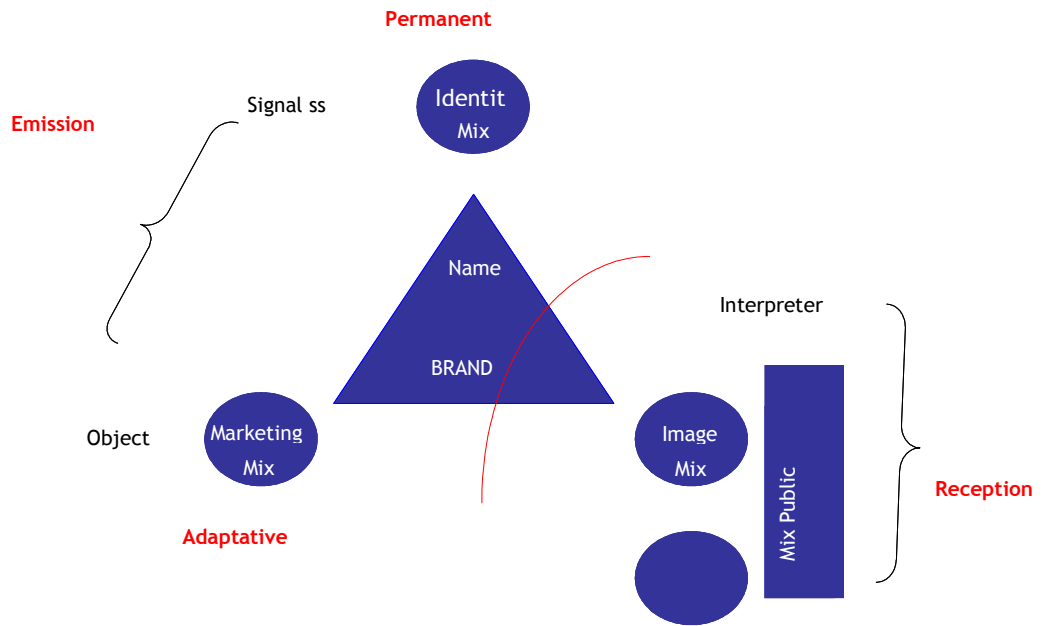
Table 1 - Entry modes in International Markets

<p>Export: a direct way to internationalize a company's activity, with fewer costs.</p>	<p>Direct: the company sells directly to an importer from a foreign country.</p>
	<p>Indirect: the company sells to a middleman from the destination country.</p>
<p>Contractual forms: includes several contractual settlements, usually involving cooperation between companies which intend to internationalize themselves and local economical units.</p>	<p>Licensing/transference of technology: one company gives to another the right to use a technology within an established area and in exchange for royalties. While the licensing involves giving up patent rights, the transfer applies to technological knowledge's with no patent.</p>
	<p>Franchising: a type of licence or aid contract through which a company (franchised) obtains from another (franchiser) the right to explore exclusively and under certain conditions, a product, a service, a name or a registered brand, or a technology within a certain area.</p>
	<p>Management contract: an agreement through which a company guarantee the total or partial creation of an economic unit in a foreign country, afterwards giving away their management to an independent company, generally based in the destination country.</p>
	<p>International subcontracting: the main company or subcontractor orders the subcontracted products, parts of products or simple operations carried out over those products, based in pre-established specifications.</p>
	<p>Strategic alliances: includes several situations of commercial relations between companies belonging to an economy (often rivals), and companies from different countries, whenever the association does not fit in the licensing and joint-venture scope.</p>
<p>Foreign Direct investment: includes all the investments made with the purpose to acquire a long-lasting interest in a company which carries out their activity in the territory of an economy that is not the one of the</p>	<p>Joint-venture: consists of the participation of several companies in the funds on an economic unit, juridically independent, with the purpose to carry out a productive and/or commercial activity, allowing therefore the sharing of the respective property, profits and business venture.</p>
	<p>Partial property: the company has a portion of the capital, with power of decision, of a productive economic unit in another economy. It may result in</p>

investor, with the purpose of having an effective power of decision in the company's management.	the need to quicken the process and/or to overcome some economic and legal problems.
	Total property: involves the creation/acquisition of a subsidiary abroad, owned completely (100%) by the company, which demands a bigger initial investment, giving in compensation the total control of the market businesses. It may be achieved through creation or through take-over.

Source: Lorga (2003)

Figure 2 - Brand triangle and the pillars nature



Source: Adapted from Lencastre (2007, pp.41-42).

Figure 3 - Havaianas advertising campaign in the sixties and in the eighties



Source: http://www.cenaurbana.com.br/cultura/moda/sand_havaianas.htm, in 2007/12/28

Figure 4 - Havaianas, new designs, colours and shapes; and the new customized packaging



Source: <http://www.havaianas.com.br>, accessed in 15/02

Figure 5 - The most important landmarks in the international operation modes used by Havaianas

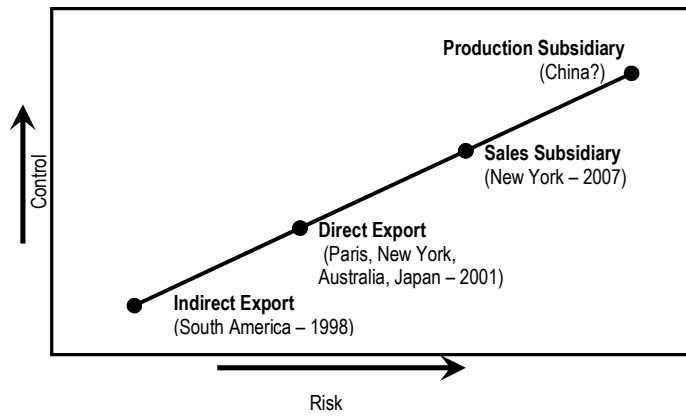
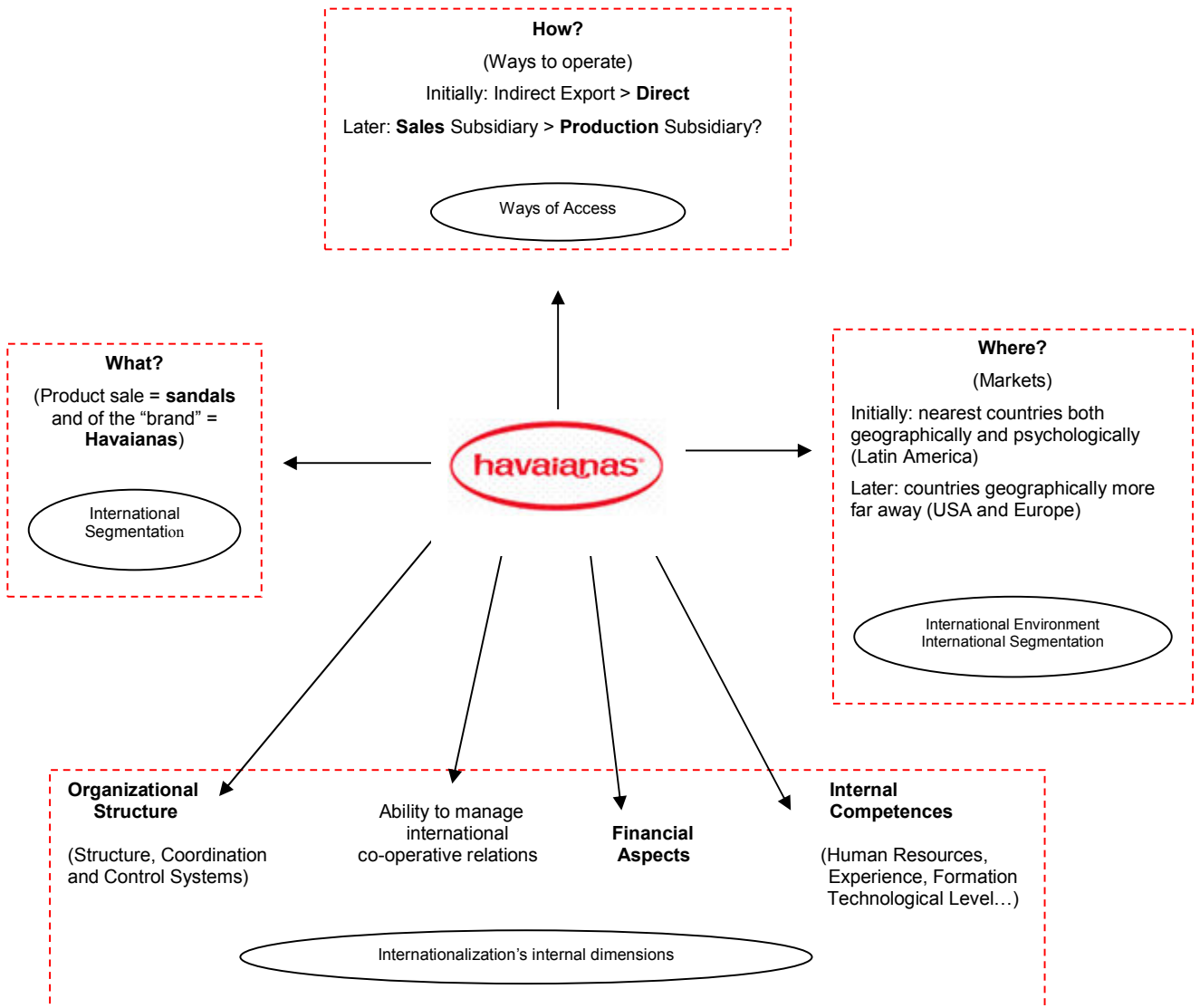


Figure 6 - The Havaianas internationalization dimensions



Source: Adapted from Lorga (2003, p.26, adapted from Simões 1997, p.12).

Table 2 - Associations to the Havaianas brand - Cognitive answers and Affective answers

COGNITIVE: SHARE OF MIND		AFFECTIVE: SHARE OF HEART	
Before 1994	After 1994	Before 1994	After 1994
Durable: “Don’t deform, Don’t drop strips...”	New associations: “The sandal” style Fashion sandals (more than 80 models and 60 thousands colors) 100% natural 100% Brazilian	Practical	Brazilian national identity
Hygienic: “Don’t have smell”		Functional	Tropical nature: Beach Heat Holidays Joy and relaxation
Useful: “Comfort”	Associations maintained: Excellent cost-benefit relation Accessibility Comfort Durability Hygienic	Protects the feet of needed population at a low cost:	Physical and emotional wellness:
Product used be the poorest strata of population		“Poor’s slipper”	Comfort
Excellent cost-benefit relation		“Housemaid slipper”	Fashion
A single model “traditional”			Customization
5 colors			Sexy

Source: Adapted from the CD Rom – Institutional Havaianas, 2007.